



Fw: FYI: Families File Lawsuit in Federal Court (Marcellus Shale)

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Families File Lawsuit in Federal Court

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Over Water Contamination Near Gas Wells

PHILADELPHIA—The companies that own and operate 62 natural gas wells in a nine-square-mile area of Dimock Township in northeastern Pennsylvania are responsible for releases of hazardous chemicals and methane that have polluted the area's groundwater, according to a civil lawsuit filed Nov. 19 in federal court in Scranton, Pa. (Fiorentino v. Cabot Oil & Gas Corp., M.D. Pa., No. 09-cv-2284, 11/19/09).

Seventeen families who live within 1,300 feet of natural gas wells owned by Cabot Oil & Gas Corp. in Dimock Township filed the complaint in the U.S. District Court for the Middle District of Pennsylvania against Houston-based Cabot and its subsidiary, Gas Search Drilling Services Corp.

The families claimed that as a result of Cabot's alleged negligence in drilling, constructing, and operating its gas wells, the groundwater on which they rely for their household water supply has been tainted by natural gas and elevated levels of dissolved methane.

Accumulation of methane in the headspaces of two families' water wells caused an explosion in one and a fire in another, according to the complaint.

The plaintiffs also alleged that Cabot is responsible for discharges of diesel fuel and chemicals, including 1,2,4-trimethylbenzene, N-propylbenzene, and P-isopropyl toluene, as well as aluminum and iron in amounts that exceed state water quality standards.

State, Common Law Violations Claimed

The complaint alleges violations of the Pennsylvania Hazardous Sites Cleanup Act and common law claims for negligence, gross negligence, private nuisance, strict liability, breach of contract, and fraudulent misrepresentation.

The plaintiffs asked the court to require Cabot to pay for medical monitoring to ensure early detection of any health conditions attributable to exposure to the hazardous substances identified in the complaint.

In addition, the plaintiffs are seeking payment for remediation costs and unspecified compensatory damages for loss of property value, injury to natural resources around their properties, medical costs, loss of quality of life, emotional distress, and personal injury.

They also requested unspecified punitive damages for alleged fraudulent misrepresentation and gross negligence.

Company Response

In a statement issued Nov. 20, Cabot said its activities are heavily regulated under the Pennsylvania Oil and Gas Act and other environmental laws and regulations administered and enforced by the state Department of Environmental Protection.

A Nov. 4 consent order and agreement between Cabot and the DEP provides further assurance that it is operating in compliance with the state's environmental protection laws, the company said.

That agreement required the company to develop and get DEP approval for well casing and cementing plans prior to drilling or hydraulic fracturing (fracking) in the Dimock Township area at issue in the lawsuit ([214 DEN A-2, 11/9/09](#)).

During fracking, large quantities of water mixed with sand and chemical lubricants are injected under high pressure into a shale formation to create fissures through which gas can migrate to a well for extraction.

Water Supply Plan Required

The consent agreement gave Cabot a March 31, 2010, deadline to develop a plan to permanently restore or replace the tainted water supplies of the 13 affected households, as well as a plan to prove the integrity of the casing and cementing on its existing wells and to fix defective casing and cementing.

"Cabot continues to cooperate with the DEP to ensure protection of residents and their property," Cabot President Dan O. Dinges said. "While we respect the right of any resident to seek a judicial solution for a legitimate issue, we see no merit in these claims and are disappointed that these citizens felt it necessary to proceed in this fashion. We do not believe this matter will impact our continuing operations in the area."

According to the complaint, Cabot has not complied with provisions of its lease agreements with the plaintiffs that required the company to test their domestic water before and after drilling began and to restore it to pre-drilling conditions if adversely affected by Cabot's operations. The plaintiffs also claim Cabot has not complied with gas lease provisions that require it to give them "timely, certain, and regular" royalty checks based on the value of natural gas extracted from their properties.

The plaintiffs are represented by Leslie Lewis of The Jacob D. Fuchsberg Law Firm LLP in New York and Paul M. Schmidt of Zarwin Baum DeVito Kaplan Schaer Toddy in Philadelphia.